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NSC BRIEFING

9 February 1954

PROSPECTS FOR MAJLIS COOPERATION WITH IRANIAN GOVERNMENT

I. Majlis can now meet as enough deputies have been elected to make quorum.

A. Seventy-seven deputies out of total 136 have been elected.

B. All successful candidates were supported by government.

C. Majlis will open on 6 March.

However, it will be late March before organizational preliminaries can be finished and actual business begin.

II. Major problems for new Majlis will be Iran's financial position and Anglo-Iranian oil dispute.

A. Financial situation again growing critical. In fact, Majlis may be forced to come to grips with this problem before any oil settlement proposals reach it.

1. American emergency financial aid will be exhausted by April and Majlis will be faced with budget

showing recurring monthly deficit of \$3,000,000 to \$5,000,000.

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2. There may be formal Majlis request for additional

US financial help in form of a gift.

3. ~~[Majlis approval of loan doubtful.]~~

B. Attitude of Majlis toward oil settlement unsure.

1. Majlis will want to participate in oil negotiations and will demand right to discuss any agreement.

2. An oil agreement presented to Majlis early in session might be approved. If delayed, Majlis will have divided into competing cliques and approval might be impossible.

3. Prime Minister Zahedi might try to insist that oil agreement is executive arrangement rather than political matter and therefor does not require Majlis approval so long as it conforms to nationalization law.

4. This stand would, however, be opposed by bulk of Majlis and Zahedi would risk no-confidence vote.

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5. He would attempt it accordingly only if apparent that Majlis would not approve an agreement.

III. Majlis likely to be amenable to Zahedi only in beginning of session.

- A. Period of Majlis organization, perhaps first month, may indicate extent and length of Zahedi's control. Procedural and organizational discussions will indicate legislative alignments. Source and type of disagreements will become apparent.
- B. Elected deputies bear out earlier impression that next Majlis will be no real improvement over past.
- C. It will contain a few capable men, many ordinary politicians, 25X6
- D. When formal Majlis sessions begin, Tehran will again buzz with intrigue and behind-the-scenes activity, threatening any constructive government program.
- E. Shah and prime minister may each seek to line up supporters in Majlis, thus weakening over-all position of government.

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IRAN

MAJLIS COOPERATION WITH GOVERNMENT

I. Majlis quorum elected

- A. 77 of 136 total, all government-supported.
- B. Majlis may be open 6 March; 20-30 days organization preliminaries.

II. Majlis problems--finances, oil dispute

- A. US emergency aid ends April; monthly deficit \$3,000,000-\$5,000,000.
- B. May request US gift, not loan.
- C. Desires participate oil talks. If agreement delayed, approval doubtful.
- D. Zahedi attempt to settle alone risks no-confidence vote.
- E. Might be tried if Majlis approval doubtful.

III. Majlis only initially amenable Zahedi

- A. New Majlis no improvement; intrigue likely to split it.
- B. Period of Majlis organization may

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indicate Zahedi's control.

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